

108 FERC ¶ 61,018  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Pat Wood, III, Chairman;  
Nora Mead Brownell, Joseph T. Kelliher,  
and Sudeen G. Kelly.

South Carolina Electric & Gas Company

Docket Nos. ER04-764-000  
and ER04-764-001

ORDER CONDITIONALLY ACCEPTING IN PART AND REJECTING IN PART  
PROPOSED MODIFICATIONS TO PRO FORMA LARGE GENERATOR  
INTERCONNECTION PROCEDURES

(Issued July 8, 2004)

1. On April 26, 2004, as amended on May 10, 2004, South Carolina Electric & Gas Company (SCE&G) submitted redlined tariff language as permitted by Order No. 2003<sup>1</sup> that reflect variations from the *pro forma* Large Generator Interconnection Procedures (LGIP). SCE&G states that the proposed variations are based on existing regional reliability standards applicable to the Southeastern Electric Reliability Council (SERC), of which SCE&G is a member. In this order, the Commission accepts SCE&G's filing in part and rejects SCE&G's filing in part, to be effective April 26, 2004. This order benefits customers because it ensures that the terms, conditions, and rates for interconnection service are just and reasonable and thus encourages more competitive markets.

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<sup>1</sup> Standardization of Generator Interconnection Agreements and Procedures, Order No. 2003, 68 Fed. Reg. 49,845 (Aug. 19, 2003), FERC Stats. & Regs., Regulations Preambles ¶ 31,146 (2003) (Order No. 2003), *order on reh'g*, Order No. 2003-A, 69 Fed. Reg. 15,932 (Mar. 26, 2004), FERC Stats. & Regs., Regulations Preambles ¶ 31,160 (2004) (Order No. 2003-A); *see also* Notice Clarifying Compliance Procedures, 106 FERC ¶ 61,009 (2004).

## **I. Background**

2. In Order No. 2003, pursuant to its responsibility under sections 205 and 206 of the Federal Power Act (FPA)<sup>2</sup> to remedy undue discrimination, the Commission required all public utilities that own, control, or operate facilities for transmitting electric energy in interstate commerce to append to their open access transmission tariffs (OATT) a Final Rule LGIP and Final Rule Large Generator Interconnection Agreement (LGIA). In order to obtain greater standardization of interconnection terms and conditions, Order No. 2003 required such public utilities to file revised OATTs containing the *pro forma* LGIP and LGIA by January 20, 2004.<sup>3</sup> Subsequent revisions to the *pro forma* LGIP and LGIA established in Order No. 2003-A became effective on April 26, 2004. The Commission allowed Transmission Providers<sup>4</sup> to seek any variation to the *pro forma* LGIP or LGIA based on regional reliability requirements.<sup>5</sup>

3. In its amended filing, SCE&G proposed certain variations based on existing regional reliability standards applicable to SERC members, which includes SCE&G. SCE&G justified the proposed variations by citing the regional reliability requirements upon which the variations are based. SCE&G also points to the Commission's order in *Southern*<sup>6</sup> where the Commission accepted for filing similar variations by finding them sufficiently supported by regional reliability standards.

## **II. Proposed Variations**

4. In its amended filing, SCE&G proposes seven variations to the *pro forma* LGIP in sections 3.2.1.2, 3.2.2.2, 6.2, 7.3 (two proposed variations), 11.1, and Appendix 1.

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<sup>2</sup> 16 U.S.C. §§ 824d, 824e (2000).

<sup>3</sup> See Notice Clarifying Compliance Procedures, 106 FERC ¶ 61,009 (2004).

<sup>4</sup> The "Transmission Provider" is the entity with which the Generating Facility is interconnecting. The term "Generating Facility" means the specific device (having a capacity of more than 20 megawatts) for which the Interconnection Customer has requested interconnection. The owner of the Generating Facility is referred to as the "Interconnection Customer."

<sup>5</sup> See Order No. 2003 at P 826.

<sup>6</sup> See Southern Company Services, Inc., 106 FERC ¶ 61,311 (2004) (*Southern*).

5. Section 3.2.1.2 (The Study) of the *pro forma* LGIP sets forth the study requirements for the Energy Resource Interconnection Service. The Study is required to consist of short circuit/fault duty, steady state (thermal and voltage), and stability analyses. Section 7.3 (Scope of Interconnection System Impact Study) sets forth, among other things, the types of analyses that would be conducted in the Interconnection Impact Study. It requires that the study consist of a short circuit analysis, a stability analysis, and a power flow analysis. SCE&G proposes that sections 3.2.1.2 and 7.3 be amended to require a grounding review, a reactive power analysis, a regional transfer capability analysis, and a nuclear plant off-site power analysis (where applicable). In support of its proposal, SCE&G states that these modifications to sections 3.2.1.2 and 7.3 were accepted by the Commission in *Southern* as being sufficiently supported by existing regional reliability standards.

6. Section 3.2.2.2 (Network Resource Interconnection Service) of the *pro forma* LGIP sets forth the study requirements for this service. It requires that the Interconnection Study assure that, as a general matter, the Interconnection Customer's Large Generating Facility's interconnection is studied with the Transmission Provider's Transmission System at peak load, under a variety of severely stressed conditions. The Interconnection Study helps determine whether, with the Large Generating Facility at full output, the aggregate of generation in the local area can be delivered to the aggregate of load on the Transmission Provider's Transmission System, consistent with the Transmission Provider's reliability criteria and procedures. SCE&G proposes that section 3.2.2.2 be revised to remove the phrase "at peak load" in order to permit analyses at various load levels. SCE&G states that the SERC regional requirement for such studies is referenced in the existing SERC Supplement to the NERC Planning Standards I.A.S1, namely, SERC I.A. Planning Standards, at 6 and 8. SCE&G notes that it is aware of the Commission requiring Southern to provide further evidence of the need to study generation interconnection at other than peak loads<sup>7</sup> and that it is prepared to provide further evidence to support these changes should that be necessary.

7. Sections 6.2 (Scope of Interconnection Feasibility Study) and 7.3 (Scope of Interconnection System Impact Study) set forth the assumptions that should be used to conduct these studies. These sections require that the studies consider the Base Case as well as all Generating Facilities (and identified Network Upgrades) that, on the date the study begins, (i) are directly interconnected to the Transmission System; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have pending higher queued Interconnection Requests; and (iv) have no queue positions but have executed LGIAs or requested that unexecuted LGIAs be filed

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<sup>7</sup> See *id.*

with this Commission. SCE&G proposes to modify sections 6.2 and 7.3 to require that the studies also consider all confirmed and/or pending higher queued transmission delivery service requests. SCE&G offers no regional reliability standard to support this variation from the *pro forma* LGIP. SCE&G does point to NERC Planning Standard 1.A (Table 1), which requires the transmission to be designed so that firm power transfers under the OATT will not be curtailed during normal system conditions. SCE&G argues that previously committed Transmission Service must be part of the study process to provide accurate results and to determine the appropriate Interconnection Facilities and Network Upgrades associated with Interconnection Service.

8. Appendix 1 of the LGIP is the application form the Interconnection Customer uses in making an Interconnection Request. SCE&G proposes to add a new definition to part 5 of Appendix 1: “Test Date by Unit (Month, Day, Year).” This change requires the Interconnection Customer to provide information on test schedules for each generating unit when electric power will be injected into the grid. SCE&G alleges this information is required by the Transmission Provider to operate and plan for reliable operation of the transmission system.

9. Finally, SCE&G points out that section 11.1 of the LGIP needs to be revised to correct a typographical error. Section 11.1 currently provides that “within thirty (30) Calendar Days after the comments are submitted, *Interconnection Customer* shall tender a draft LGIA, together with draft appendices completed to the extent practicable” (emphasis added). SCE&G requests that *Interconnection Customer* be changed to *Transmission Provider*, thereby correcting an oversight.

### **III. Notice and Responsive Pleadings**

10. Notice of the amended filing was published in the *Federal Register*, 69 Fed. Reg. 29,290 (2004), with interventions and protests due on or before June 1, 2004. The City of Orangeburg, South Carolina, and North Carolina Membership Corporation filed timely motions to intervene.

### **IV. Discussion**

11. Pursuant to Rule 214 of the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2003), the timely, unopposed motions to intervene serve to make the entities that filed them parties to the proceeding.

12. The Commission conditionally accepts SCE&G's filing in part and rejects SCE&G's filing in part, to be effective April 26, 2004, as discussed below.

13. The Commission intends to supplement rather than supplant the work that regional reliability groups have already undertaken regarding interconnection. Accordingly, a Transmission Provider, on compliance, generally may offer variations based on existing regional reliability requirements. The Transmission Provider must show that each such proposed variation is in response to established (*i.e.*, approved by the Applicable Reliability Council) reliability requirements.<sup>8</sup>

14. As in *Southern*, The Commission will accept SCE&G's proposed modification to sections 3.2.1.2 and 7.3 of the LGIP to include analyses regarding grounding review, reactive power, regional transfer capability, and nuclear plant off-site power (where applicable), because it is sufficiently supported by existing regional reliability standards.

15. Consistent with prior orders addressing proposed variations from the *pro forma* LGIP section 3.2.2.2,<sup>9</sup> the Commission will conditionally accept SCE&G's proposed modification to section 3.2.2.2 of the LGIP. We will condition our approval of SCE&G's proposal to study non-peak conditions on SCE&G, if requested by the customer, providing in writing to the customer a justification that non-peak load based contingencies warrant such studies for reliability purposes. SCE&G is directed to file revised tariff sheets that reflect that condition. Moreover, we remind SCE&G that it must provide comparable service to others; thus, it must study non-peak conditions for interconnection of its own and its affiliates' generating units under the same circumstances in which it studies non-peak conditions for non-affiliated generators.

16. While SCE&G purports to justify all of its modifications based on SERC regional reliability standards, SCE&G cites no such standard to justify proposed variations to sections 6.2, and Appendix 1, and the proposed modification to section 7.3 regarding higher queued transmission delivery service requests. The Commission will reject these proposed modifications to the LGIP, without prejudice to SCE&G refiling under section 205 of the FPA and justifying the proposed variation.<sup>10</sup> SCE&G must demonstrate that these proposed variations are consistent with or superior to the *pro forma* LGIP, or must point to an existing regional reliability standard.

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<sup>8</sup> See Order No. 2003 at P 823-24, 826.

<sup>9</sup> MidAmerican Energy Co., Docket No. ER04-497-002 (June 15, 2004 unpublished letter order), and Southern Company Services, Inc., 107 FERC ¶ 61,317 (2004).

<sup>10</sup> 16 U.S.C. § 824d (2000).

17. Finally, consistent with our order in *Virginia Electric Power Company*, 107 FERC ¶ 61,010 at P 37 (2004), we will accept the typographical change in section 11.1 because the change will more accurately state the intended meaning of the provision.

The Commission orders:

The Commission hereby conditionally accepts SCE&G's filing in part and rejects SCE&G's filing in part, to be effective April 26, 2004, as discussed in the body of this order, and directs SCE&G to make a compliance filing to be submitted within 30 days of this order.

By the Commission.

( S E A L )

Linda Mitry,  
Acting Secretary.